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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, SEPTEMBER 19, 2001

COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION

Case No. BFI010203

Ex Parte: In re: powers of  
state savings banks:  
corporate name;  
investment requirement

ORDER TO TAKE NOTICE

WHEREAS, § 6.1-194.112 of the Code of Virginia provides that a savings bank incorporated under the laws of Virginia shall have the words "savings bank" as a part of its corporate name, while federal law and regulations do not subject federal savings institutions to such a requirement; and

WHEREAS, § 6.1-194.62 of the Code requires state savings banks to invest 60 percent of assets in "real estate loans," as defined therein, while federal savings institutions are less constrained in satisfying the "qualified thrift lender test," the analogous federal-law investment requirement; and

WHEREAS, § 6.1-194.141 authorizes the State Corporation Commission ("Commission") to adopt such regulations as may be necessary to permit state savings banks to have powers

comparable with those of federal financial institutions regardless of existing statutes; and

WHEREAS, at the request of an applicant for conversion to a state savings bank charter, the Bureau of Financial Institutions has proposed a regulation that will authorize state savings banks to select a corporate name and invest in credit card loans on equal terms with federal savings associations, and the Bureau has recommended adoption of the regulation;

IT IS THEREFORE ORDERED THAT:

(1) The proposed regulation, entitled "Special Authority for State Savings Banks: Corporate Name and Investment Requirement," is appended hereto and made a part of the record herein.

(2) On or before October 22, 2001, any person desiring to comment on the proposed regulation shall file written comments containing a reference to Case No. BFI010203, with the Clerk of the Commission, Document Control Center, P. O. Box 2118, Richmond, Virginia 23218.

(3) The proposed regulation shall be posted on the Commission's website at <http://www.state.va.us/scc>.

(4) An attested copy hereof, together with a copy of the proposed regulation, shall be sent to the Registrar of Regulations for publication in the Virginia Register.

AN ATTESTED COPY hereof shall be sent to the Commissioner  
of Financial Institutions.

10 VAC 5-20-40. State savings banks; corporate name and investment requirement.

Pursuant to § 6.1-194.141 of the Code of Virginia, a state savings bank shall not be required to have as a part of its corporate name the words "savings bank," regardless of § 6.1-194.112. Further, a state savings bank may include in its investment in "real estate loans," for purposes of meeting the requirement of § 6.1-194.62 of the Code, its credit card loans, regardless of the fact that the definition of "real estate loans" in § 6.1-194.62 does not include such loans. The term "credit card loans" shall have the meaning set forth in 12 U.S.C. § 1464 (c) (i) (T), i.e., loans made through credit cards or credit card accounts.